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INFO RUEHDS/AMEMBASSY ADDIS ABABA PRIORITY 1811
RUEHNR/AMEMBASSY NAIROBI PRIORITY 0714
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0739

UNCLAS USUN NEW YORK 001014

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DEPARTMENT FOR IO

E.O. 12958: N/A
TAGS: [PREL](#) [OARC](#)
SUBJECT: UN MANAGEMENT: FIFTH COMMITTEE CRITICIZES
MISMANAGEMENT OF CONSTRUCTION IN NAIROBI AND ADDIS ABABA

¶1. Summary. In session from October 7 to 27, the UN General Assembly (UNGA) Fifth Committee (Administrative and Budgetary) received reports on construction projects underway in Vienna, Nairobi and Addis Ababa. Despite serious reservations about the latter two, Secretariat officials recommended proceeding with all three projects. Delegations expressed satisfaction with progress in Vienna, but were gravely disappointed at delays in Addis Ababa and Nairobi. Delegates questioned Secretariat officials, called for accountability, and bemoaned poorly defined responsibilities. Committee Chairman Henric Rasbrant of Sweden proposed a draft resolution for further discussion during informal meetings. End Summary.

¶2. In formal session October 7, Under Secretary General for Management Angela Kane presented two reports. The first, on construction in Nairobi (A/62/794), recommends additional funding. The second report (A/63/303) provides an update on the progress in Vienna and relates the current status of Addis Ababa construction, for which UNGA approved USD 14,333,100 but has not been built. Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) Susan McLurg then presented a report on the three projects (A/63/465). Director of Facilities and Commercial Services Division Joan McDonald then spoke, and later took questions. These presentations were followed by interventions by representatives of France (speaking for the EU), Antigua and Barbuda (speaking for the G77 and China), Ethiopia, Costa Rica, and South Africa. Subsequent informal consultations that afternoon and on October 27 yielded additional comments from representatives of Japan, Ecuador, Singapore, Senegal, South Africa, Cote d'Ivoire, Russia and Egypt. Whereas there was no significant discussion on the Vienna project, which Rasbrant characterized as "crystal clear", there were repeated calls to account for lack of progress in Nairobi and Addis Ababa. Rasbrant circulated a third version of a draft resolution to be forwarded to UNGA after further committee deliberations.

¶3. The ACABQ report pointed a finger at mismanagement. McLurg reported that arrangements in Nairobi are "neither adequate nor well-implemented" and result from insufficient understanding and guidance from HQ. Her committee recommended a reduced scope project for USD 3,479,000. McLurg also criticized the Addis Ababa project, "services provided were not adequate....very little real progress has been made." ACABQ recommended annual progress reports to UNGA on all construction projects.

¶4. Nearly every intervention highlighted agreement with the ACABQ recommendation for accountability and closer oversight. The South African delegate was typical in calling the Nairobi project a "non-starter," and telling Secretariat officials "enough excuses." The representative of Antigua and Barbuda, for the G77, called for an accounting, "This is

unacceptable." The Ethiopian representative's suggestion to hire a local firm to monitor construction received no reaction.

¶15. The projects are dogged by poorly defined procedures and unclear responsibilities. In response to a question from the Japanese delegate, McDonald explained that the responsibility is different for the two projects: whereas the UN Office in Nairobi (UNON) oversees its own construction, HQ in New York is responsible for Addis Ababa. Another problem are the taxes and duties that UN has been paying in Addis Ababa, despite a supposed exemption. In response, the Ethiopian delegate offered that the taxes are reimbursable.

¶16. Costa Rican and Ecuadorian representatives questioned McDonald on access for persons with disabilities and criticized the reports for omitting this topic. On October 7, the South African delegate, on behalf of the G-77 and China, expressed hope that lessons can be learned. On October 27, the Egyptian representative echoed this widely held sentiment.

¶17. Secretariat officials endorsed the ACABQ recommendations but defended the projects. McDonald claimed there were valid reasons for the delays, including a lack of local expertise, design changes, and confusion due to unclear instructions from New York.

¶18. In informal session on October 27, UNON Director-General Anna Tibaijuka appeared to answer questions. The South African delegate subjected her to highly critical remarks, complaining, "seven years later, and nothing done." Referring to audits, Tibaijuka denied allegations of

kickbacks and malfeasance. Other critics included representatives of Russia and Japan. The delegate from Cote d'Ivoire inquired as to the identity of the project manager.

¶19. Rasbrant circulated a draft resolution to be presented to UNGA. The draft endorses the ACABQ recommendations and expresses appreciation for the progress in Vienna. The draft also expresses deep concern at the lack of progress in Nairobi; deeply regrets the procedural difficulties in the UN, decision-making delays, and insufficient responsiveness; and emphasizes the importance of coordination between headquarters and the field. The resolution will request the Secretary-General to complete the projects on schedule in 2011 without any additional requirements from the regular budget and ensure accountability for the delays. The resolution will also request a review by the Office of Internal Oversight Services, and will approve the estimated cost of USD 25,252,200 for Nairobi.

¶10. In light of intense criticism from the G-77 representative, it is unlikely that the draft resolution will be adopted expeditiously.
Khalilzad